PRESS RELEASE

ACCELL GROUP SELLS LOSS MAKING US BUSINESS AND COMPLETES STRATEGIC REVIEW NORTH AMERICA

Parties agree distribution partnership in the US for Raleigh, Haibike and Ghost

HEERENVEEN (THE NETHERLANDS), August 7th 2019 – Accell Group N.V. ("Accell") reached agreement with private equity firm Regent LP ("Regent") for the sale of its loss making US business including the worldwide registrations[1] of the brands Diamondback, Redline and IZIP. The total consideration amounts to US$ 1 in cash and a maximum contingent consideration (potential earn out) of US$ 15 million. The US business is transferred per August 6th 2019. In addition, Accell and Regent agreed on an exclusive 2-year US distribution partnership for the international Accell brands Raleigh, Haibike and Ghost.

Following the sale of the Canadian brand registrations announced on July 12th 2019, today's announcement completes the strategic review of the North American operations and allows Accell to focus on its European (core) business.

Ton Anbeek, CEO Accell Group: *"With this announcement, we have completed the strategic review of our North American business. This allows us to eliminate the profit dilution, while we can continue to distribute our global brands to the US and benefit from the growing demand for e-bikes. We look forward to working with Regent as our US distributor and as global supplier of its sports brand Mavic.*

The completion of the strategic review results in a one-off charge which we will absorb in H2 2019. We are glad that we can now put our full focus on accelerating growth of our European core business."

The overall financial impact of the completed strategic review is summarised below:

Events related to strategic study (in € million)	EBIT	Cash
1) Transaction of US operations	-/- 42	-/-10
2) Transfer of Canadian brand registrations	+14	+14
3) Reclassification translation reserve	-/-8	-
Total estimated impact H2 2019	**-/-36**	**+4**

1) The estimated H2 impact of the sale of the US business (-/- € 42 million in EBIT and -/- € 10 million in cash) covers the transfer of US trade working capital, main contractual obligations, the majority of personnel and the brand registrations[1] for Diamondback, Redline and IZIP for a cash consideration of US$ 1. It also covers direct and indirect transaction costs (eg advisory and liquidation costs) as well as the loss on the intended sale of the US assets of Beeline. The potential benefit of the earn out arrangement, set as a % of EBIT in 2022-2026 with a maximum of US$ 15 million cumulative (contingent consideration), is excluded from the above EBIT and cash estimates.

2) As announced earlier, the sale of the Canadian brand registrations is estimated to contribute € 14 million positive in EBIT and cash.

[1] Excluding Canadian brand registrations, which were transferred earlier to the Canadian Tire Company (CTC).

3) With the divestment of the US business and the earlier sale of the Canadian brand registrations, the North American operations can be considered as substantially liquidated, which results in a reclassification of the translation reserve of € 8 million (loss) to the income statement.

The total overall 2019 impact of the steps taken in the North American business strategic review are estimated to have an effect of around -/- € 36 million on EBIT and around + € 4 million on cash. These effects will be absorbed in H2 2019 while we continue to operate within the current covenants.

Next to this and based on a first assessment, Accell currently expects qualification for the requirements of the Dutch liquidation loss facility to be probable. If Accell qualifies this could result in a potential tax benefit of € 15-20 million.

In H1 2019, the North American operations reported an operating loss of € 11 million which included € 2 million of allocated corporate fees. With the agreement reached, the profit dilution of the North American business is eliminated from August 6th onwards.

D.A. Davidson & Co. acted as financial advisor to Accell in this transaction.

Note: An exchange rate of USD/EUR 0,8910 (EUR/USD 1,1238) is used for all H2 events.*

ABOUT REGENT LP
Regent is a global private equity firm focused on innovating and transforming businesses. The firm's mission is to create long-term value for its partners, the companies it invests in and the communities in which it works. Regent's investments span the globe and operate in a wide array of industry verticals including technology, media, consumer products, industrial, retail and entertainment.

Selected investments include Mavic, La Senza, Plainville Farms, Sassoon, MasterCuts, Regis UK, SuperCuts UK, Sunset Magazine, Lillian Vernon and a media portfolio comprised of 18 newspapers, magazines and television platforms including Military Times, Army Times, Navy Times, Defense News, Federal Times and HistoryNet. Regent is based in Beverly Hills, California.

For more information, please visit www.regentlp.com.

ABOUT ACCELL GROUP
Accell Group focuses on the mid-range and higher segments of the market for bicycles and bicycle parts and accessories. We are the European market leader in e-bikes and the European number two player in bicycle parts and accessories. Our bicycles and related products are sold to dealers and consumers in more than 80 countries worldwide. Well-known bicycle brands in our portfolio include Babboe, Batavus, Ghost, Haibike, Koga, Lapierre, Raleigh, Sparta and Winora. XLC is our brand for bicycle parts and accessories. Accell Group employs approximately 3,300 people across 18 countries. In 2018, we sold around 1.1 million bicycles and recorded a turnover of over € 1 billion.

For more information, please visit www.accell-group.com.

Note for editors, not for publication
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This is a public announcement by Accell Group N.V. pursuant to section 17 paragraph 1 of the Market Abuse Regulation (596/2014/EU).